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ABSTRACT

Although other factors are important in generating financial support for education, two factors appear to dominate public concern: the quality of educational products, and efficiency in the use of financial resources. The greatest concern for the quality of educational products is in the area of academic achievement, as reflected in standardized test scores. Concern for efficiency in the management of fiscal affairs focuses on the provision of assurances that sound management practices are being followed. A review of literature has revealed factors that influence academic performance and specific strategies for producing higher levels of academic performance. Such strategies include making sure skills to be tested are part of the curriculum, fostering positive student self-concept, maintaining high expectations of students and encouraging teachers to develop positive relationships with students. Efficiency in the use of financial resources can be increased by such strategies as requiring school employees to issue receipts for cash, requiring legally authorized purchase orders, requiring all purchase orders to be signed by the superintendent, and maintaining an encumbrance accounting system. Implementation of the recommendations provided will enhance the probability effective fiscal leadership will become a reality. (Author/JM)

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EFFECTIVE FISCAL LEADERSHIP

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EFFECTIVE FISCAL LEADERSHIP

Kenneth M. Matthews

Effective fiscal leadership is contingent upon the receipt of sufficient funds to support desired educational programs. Educational executives may manage inadequate funds in an exemplary manner, but they will be ineffective fiscal leaders unless adequate funding can be obtained. Leadership is more than simply being good managers. Effective fiscal leaders generate financial support for education.

The purpose of this paper is to describe educational practices which will enhance the probability educational executives can be effective in generating financial support for education. Although other factors are important in building public confidence in education, two factors appear to dominate public concern: (1) the quality of educational products and (2) efficiency in the use of financial resources. The greatest concern for the quality of educational products is in the area of academic achievement, as reflected in standardized test scores. Concern for efficiency in the management of fiscal affairs focuses on assurances that sound management practices are being followed.

Until such time as the public is confident that academic test scores are adequate and financial resources are being managed efficiently there is little likelihood they will be easily influenced to increase the level of financial support for desirable educational programs. Specific recommendations in these two areas of concern follow.

Improving Academic Performance

Conceptual models for improving academic performance have been carefully developed.[1] These models offer a firm foundation on which to develop specific plans for improving standardized achievement test scores.

Academic performance is considered to be a function of ability, effort, and external resources used. Each of these three factors is considered to have a unique influence on academic performance. However, the interactive effects of the three factors may have an even greater effect. Ability without sufficient effort and adequate resources will not result in performance. On the other hand, great effort and numerous resources of high quality will also be inadequate for performance unless the ability to perform is also present. Effective performance will not be likely unless students have the ability to achieve, try to achieve, and have the resources necessary to achieve. Therefore, plans to improve academic performance should take all three factors into consideration.

Developing Ability

Without doubt, some individuals learn more rapidly than others because of greater inherited potential to learn. However, there is little evidence to indicate that most students cannot learn the skills and concepts measured by standardized achievement tests. There is considerable reason to believe the opposite--most students can be taught those skills and concepts which are required for them to have the ability to obtain high scores on achievement tests.

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[1]Portions of this section of this paper rely heavily on material and concepts presented in: Kenneth M. Matthews, "A Conceptual Model for Improving Academic Performance." Educational Forum (In press) and Kenneth M. Matthews and Carvin L. Brown, "The Principals' Influence on Student Achievement." NASSP Bulletin Vol. 60, No. 402, October 1976, pp. 1-15.

Most teachers in most schools exert a great deal of effort to teach skills and concepts they believe are important. However, in too many cases, little attention is given to determining if the skills and concepts taught are the same ones that are being measured by the standardized tests. Unless students have been taught the skills and concepts that are measured, there is little chance they will obtain high achievement test scores.

Recommendation One: Make certain that the skills and concepts to be measured are included both in curriculum guides and in the learning experiences of students.[2]

Obtaining Effort

There are no clearly identified ways of reliably motivating students to exert high levels of effort to achieve in school. However, certain conditions have been identified as facilitating motivation to achieve.

Students who believe they have little chance of being successful in school tend to exert little effort to achieve. In theory, as soon as the perceived probability of success becomes zero effort ceases. Only abnormal students will try to learn what they believe they have little chance of learning.

Recommendation Two: Encourage teachers to foster positive self-concepts of ability in students.

Most individuals believe those skills and concepts that are useful to them personally are more important to learn than those which are perceived to be useless. If teachers are unable to convince students that the skills and concepts they are teaching have utility outside of the classroom they will not be able to obtain the highest levels of effort from their students.

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[2]This is probably the single most efficient and effective means of improving scores on standardized achievement tests.

Recommendation Three: Encourage teachers to demonstrate contingent relationships between success in school and success in life.

The majority of students attempt to meet the standards set by their teachers. If teachers expect little students tend to do little. If teachers expect high levels of performance students tend to try to perform at high levels.

Recommendation Four: Encourage teachers to maintain high expectations and standards for performance.

Students who have positive attitudes toward their teachers tend to try to please their teachers. If they dislike their teachers they are not likely to exert extraordinary effort to follow their teachers' leadership.

Recommendation Five: Encourage teachers to develop positive relationships with their students.

Each of the four preceding recommendations may contribute to higher levels of effort by students. However, some techniques which may be used by teachers to have a positive effect in one area may have extremely detrimental effects in other areas. For example, teachers may set such high expectations and standards for academic performance that students believe they have little chance of being successful and develop extremely negative attitudes toward their teachers. Care must be exercised to insure that one factor is not considered so important that other factors are given inadequate consideration.

Recommendation Six: Monitor the status of students' self-concepts of ability, perceptions of the future utility of schooling, attitudes toward teachers and perceptions of teachers' expectations.[3]

Using Resources

Textbooks, films, records, tapes, projectors, workbooks, and other resources are means of facilitating learning. Without the appropriate use

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[3]The "Student Achievement Diagnostic Questionnaire" is designed specifically for this purpose. For more information contact Kenneth M. Matthews, G-10 Aderhold Hall, The University of Georgia, Athens, Georgia 30602

of external resources students cannot learn efficiently. Many concepts are extremely difficult to master without visual illustrations. Others can only be learned through auditory stimuli. However, a critical element in the selection of external resources is that the focus must be on the skills and concepts to be measured or they will have little effect on standardized achievement test scores.

Recommendation Seven: Secure (and encourage teachers to use) external resources which focus on the skills and concepts to be measured.

If the preceding recommendations are followed improvement in the quality of educational products is likely to be perceived by the public because of higher standardized test scores. However, if the public believes fiscal resources are being managed poorly in the process they will be difficult to convince that more money should be provided for the support of desired educational programs.

Managing Fiscal Resources

Critical to effective fiscal leadership is a belief on the part of the public that fiscal resources are being used wisely. The most efficient and effective system possible may be operating, but if the public is not aware of it they may not be convinced their resources are being used efficiently.

Recommendation Eight: Inform the public of the fiscal management system being followed and involve them in finding ways to improve the system.

One of the more serious offenses which can be committed by school executives is to be unable to account for cash. The public has little tolerance for and is unwilling to forgive even relatively small sums of "lost" money. When money has been misplaced the public expects someone to at least make restitution. The fiscal management system should make provisions for holding individuals responsible for cash at each point in time.

Recommendation Nine: Require school employees to issue receipts with each transfer of cash between individuals.[4]

When this recommendation is followed responsibility for cash is fixed with a specific individual at each point in time and that person can be held accountable for the safe-keeping of the money.

Unless control over purchasing is exercised control over expenditures cannot be exercised. Unless expenditures are controlled one cannot claim to have an effective or efficient fiscal management system.

Recommendation Ten: Require a legally authorized purchase order before payment for any invoice.

Since the superintendent is generally charged with responsibility for managing fiscal affairs he is the logical person to authorize purchases. In some situations he may choose to designate a subordinate to approve purchase orders, but in all cases control over purchases must be centralized to be effective.

Recommendation Eleven: Require all purchase orders to be signed for approval by the superintendent or his designated agent.

If a determination cannot be made as to the value of outstanding purchase orders school executives have no way of knowing how much remains to be spent. One can imagine the reaction of the public if it were common knowledge that the cash balance minus outstanding obligations of the school district could not be determined. In private enterprise this problem is generally resolved by maintaining "Accounts Payable" and "Accounts Receivable" ledgers. Perhaps, a

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[4]This recommendation and others which follow were adapted from: Kenneth M. Matthews and Thomas S. Upchurch, "Managing School Fiscal Affairs - Ten Guidelines." NASSP Bulletin, Vol. 62, No. 415, February 1978, pp. 42-48.

more appropriate system for school districts is simply to encumber the appropriate fund account before purchase orders leave the central office.

Recommendation Twelve: Maintain an encumbrance accounting system.

Few circumstances have more detrimental effects on the confidence of the public in the management of fiscal affairs than for a school district to be unable to meet its financial obligations. With an encumbrance accounting system in operation there is little need for a school district to ever be unable to meeet its financial obligations. Avoiding this situation is generally very simple. If you can't pay, don't order.

Recommendation Thirteen: Issue purchase orders only when the unencumbered cash balance is sufficient to pay for the goods or services ordered.

Probably, equally embarrassing is to find that the district has paid for something it has not received. Again, this situation can be avoided rather easily.

Recommendation Fourteen: Pay invoices only when an employee has personally verified receipt for the goods or services.

Occasionally vendors request payment in cash and school officials find it preferable to pay for small purchases in cash. This practice is not recommended.

Recommendation Fifteen: Make all payments by check.

There are several reasons for making all payments by check. Cash is particularly susceptible to loss, theft, and misappropriation. When payments are made by check the cancelled checks serve as receipts. When payments are made in cash a receipt must be prepared as a separate act. Cancelled checks arrive at regular intervals and can be processed on a routine basis. Cash receipts are prepared at irregular times and disrupt normal routines.

The basic purpose of purchasing is to obtain the desired goods or services at an acceptable time and at an acceptable price. The written purchase order is

the first official step in this process. Once the purchase order has been issued the district has made an offer to a vendor. However, the conditions of a contract situation require that the vendor accept the offer. Simply listing a desired product, a price, and a place of delivery does not provide enough protection for the district. The vendor may choose to make partial shipments, delivery whenever he wants to rather then when the district needs the product, include shipping charges in bill, etc.

Recommendation Sixteen: Place restrictions on all purchase orders.

By following this recommendation the basic purpose of purchasing can be met by making the unique requirements of each purchase a part of the purchasing "contract."

Most school districts have several accounting entities or funds. Each has been established for the purpose of recording financial transactions of special groups or money generated for specific purposes. These funds must be maintained as separate entities or the purposes for which they were established will not be met. Co-mingled funds are accounting nightmares. For example, investing temporary surplus money can generate substantial amounts of additional money when performed properly.[5] However, when co-mingled funds are invested determining how much of the interest earned each fund should receive becomes ridiculously complex. Of less complexity, but having potentially more serious consequences is the practice of loaning one fund money from another fund. Sound fiscal management policies avoid these problems.

Recommendation Seventeen: Maintain the integrity of all funds.

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[5]For illustrations of investment procedures see: Kenneth M. Matthews, "From Cash Flow Analysis to Investing and Borrowing." Journal of Educational Economics, 2 (1977): 1 and Kenneth M. Matthews, "Manage Your Cash." School Business Affairs, May 1976.

Although fiscal management is generally limited to money management, property is also an asset that should be as much a concern as money. The same care should be exercised in controlling property as is taken to insure the efficient management of cash.

Recommendation Eighteen: Maintain perpetual property inventory control records.

Of particular concern is that the district be able to locate individual property items and to know who is responsible for its control. Districts which follow recommendation eighteen will be able to do this.

Summary

The stated purpose of this paper was to describe practices and to make specific recommendations to enhance the probability educational executives will be able to generate adequate financial support for desired educational programs. Eighteen specific recommendations have been made. Seven of these are designed to improve public confidence in the quality of educational products by raising standardized test scores. The other eleven recommendations are designed to stimulate public confidence in the management of fiscal affairs. Implementing individual recommendations may contribute little to effective fiscal leadership. However, collectively they form a sound base from which leadership activities can be initiated to generate financial support.

Public confidence in their schools is a necessary, but not sufficient condition for adequate financial support. The recommendations made in this paper will contribute to greater public confidence, but will do little to generate financial support without aggressive leadership. Adequate funding

for educational programs will become a reality only if school executives take aggressive leadership action to generate financial support from the public.[6]

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[6]For a discussion of the philosophical implications of alternatives to aggressive action to generate financial support see: Kenneth M. Matthews, "Leadership and the Price of Public Education." American Middle School Education (In press) and Kenneth M. Matthews "School Business Officials and the Price of Education in Georgia." Proceedings of the Georgia Association of School Business Officials Thirteenth Annual Conference, November 1978.